

Exhibit 2

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Wong, et al.,
individually and on behalf of others
similarly situated,

Case No. 07-2446 MMC

Plaintiffs,

v.

HSBC Mortgage Corporation (USA);
HSBC Bank USA, N.A; DOES 1 through 50,

Defendants.

DECLARATION OF GODWIN TSUI

1. I am a former employee of Defendants (hereinafter "HSBC"). I am over the age of 18 and competent to testify about the matters set forth in this declaration.

2. I worked for HSBC from July 2005 to September 2006 as a Regional Manager in California. I did not have any input into the formulation of overtime practices and policies at the company. I have not spoken with any HSBC lawyers about this case and do not consider myself to be represented by HSBC's lawyers.

3. My job was to help start a region of the mortgage division in California, so we used all of the organizational structure already in place from other regions of the mortgage division around the country. That is, we were just expanding the existing structure into California, and implementing there the same positions and job descriptions used in New York City, Buffalo, NY, etc. We did not create anything new - we were trying to integrate a region of the country, California, into a larger division of HSBC - mortgage. Ours was parallel to the regions in Buffalo, in New York City, in Florida, and elsewhere. In California, we made no determinations about which loan programs to offer, which loans to underwrite, what software systems to use, any of the personnel practices - all of that was coming from the headquarters in New York.

4. My responsibility as a Regional Manager was to oversee approximately 15-20 people, including loan officers, administrative staff, and subordinate sales managers (the latter were Amy Young and Amy Ku). Loan officers under my supervision were primarily or exclusively engaged in selling loans, following the company's guidelines and procedures.

Tsui Initials: ST

Date: 7/19/08

Page 1

5. As an HSBC manager, I reported to Richard Kilfoil, head of retail loan sales for the mortgage division, who reported to David Gates. Both Mr. Kilfoil and Mr. Gates were located in the State of New York.

6. I have 20 years of experience in the mortgage industry, and, in my experience – it does not matter which bank or lender you work for – as a loan officer, you can work pretty much anywhere. You can work from a home office, from a Bank branch – wherever you can have a conversation. As a manager at HSBC, and in my own experience as a loan officer, most business was and is done over the phone. As a loan officer, I very rarely actually meet a customer face-to-face and, in my experience, that is really the norm across the industry. At HSBC, I did not care if my loan officers sold their loans inside a Bank branch, from their home offices, or anywhere else – the point was to close loans.

7. I cannot dispute or confirm that HSBC's loan officers under my supervision spent most of their time in the HSBC Bank USA, NA, branches. Each loan officer was given one or some HSBC Bank branch offices to cover. We had more loan officers than branches, so we would try to rotate the loan officers through the Bank branches, according to a calendar, so the leads would be fairly distributed. That said, we did not keep timecards for the loan officers, and I would not be in a good position to testify as to the particular hours my loan officers were working in particular locations. I did expect that, to be successful, my loan officers would try to generate leads from sources other than the Bank branches, too, which was the main reason we opened loan production offices in, for example, Redwood Shores, CA, and Costa Mesa, CA.

8. There were discussions among upper HSBC sales management about how to help drive more leads to the mortgage division from the HSBC Bank USA, NA, branches. Part of what we discussed in this regard concerned loan officers working with personal bankers at HSBC Bank USA, NA, branches locally so they would refer us their banking clients to buy mortgages. This was something implemented across the board – we did not have any local, regionalized programs. As part of this effort, I would meet with the Bank branch managers, and the district managers, and talk about how we could work together. I met with all the Branch managers in California at the time – these efforts took up about 25% of my time. Since we were just starting the mortgage division on the West Coast, my role was supposed to be the “air cover” for the loan officers – i.e., to get those relationships with each Bank branch started. It would be up to the loan officers to make sure they took care of the Bank branch customers' mortgage needs, so that we would hopefully get a steady stream of business from the Bank branches. One of the strategies we used when hiring loan officers was to tell prospective loan officers that HSBC Bank was trying to make an aggressive push into the market and open many more branches in the next 2-3 years, to drive leads to the loan officers.

9. Like at any other bank, at HSBC, part of our goal was relationship building, i.e., for mortgage and retail banking employees to cross-sell the customers mortgages, bank accounts, investment advising, etc. – generally, to get a bigger “share of wallet.” One of the many promotional programs that we had offered a discount on closing costs if mortgage customers also set up a HSBC Bank USA, NA, checking account. Generally, I told my loan officers, if you are talking to mortgage customers, you should be talking about – we can offer you other banking services, too.

Tsui Initials: 

Date: 7/19/08

Page 2

10. For me, the loan officers were sales people, so what really mattered were their sales results, regardless of the hours they worked. There would be certainly occasions on which loan officers would need my help early in the morning and late in the evening – it was not rare. My impression was that it was not uncommon for loan officers to be, like I was, up early, communicating with HSBC on the East Coast, getting everything in order for the sales efforts during the day – working through the day, and then working late into the evening, finishing up paperwork and attending networking functions or dinner meetings.

11. Our goal in expanding the mortgage division into California was to generate new business, of course, and also to build the HSBC brand. We needed to take advantage of the fact that people knew us as HSBC Bank. Instead of telling potential clients we were from some minor, XYZ broker, the employees under my direction and I used the HSBC brand to show that we are with a big, reputable company. When you are trying to sell, you are definitely trying to sell on the strength of the global company, HSBC. In terms of how we treated the customer at HSBC, we were all part of the same company – whether the customer was first a banking customer or a mortgage customer. We in the mortgage division were out there competing against a pretty aggressive number of other mortgage lenders, let alone banks with mortgage divisions. So, we knew we needed to take advantage of the HSBC brand name that people knew, and try to capitalize on that.

12. One of the market forces in our favor in California was the strength of the HSBC brand name in predominantly Asian communities, because of HSBC's large presence in Asia. As such, part of the marketing was to market toward the Asian community in California because HSBC was a recognizable brand name to the Asian community. In fact, HSBC's retail mortgage operation decided to come to California in part because of the desire to tap into the natural Asian market in California. As part of the strategy, the HSBC branches that opened were in predominantly Asian communities – and we hired people who were multi-lingual in Asian languages, to build relationships with customers. Incidentally, another reason for the California expansion, in addition to the Asian market strength, was to build on HSBC's successful wholesale efforts in California.

13. When hiring loan officers, sometimes Human Resources (HR) in New York would be involved in the interview process, and sometimes HR would hire local recruiters. We could not get anyone hired without HR – all the hiring paperwork, posting a vacancy, salary ranges, background checks all came from HR. All we did locally was the interviews, mainly – everything else was done by HR. HR had to sign off on anyone getting hired. Likewise, if we wanted to terminate someone, HR was involved at every step, and had to approve any final termination decision. Generally, HR was involved through every step of an employee's tenure – hiring, recruiting, performance evaluation, and termination.

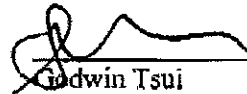
14. To the best of my recollection, I never discussed with any HSBC official anything related to whether my employees were exempt or non-exempt under the FLSA, or any reasons for these classifications.

15. I was not monitoring whether any of my employees were taking lunch breaks or rest breaks. With the administrative employees, I was certainly not checking every day to see if they took their breaks. I cannot recall any discussions with any administrative person who worked for me regarding meal or rest breaks. Prior to interviewing with an attorney for Plaintiffs regarding this declaration, I had never heard of a "meal period premium" or "rest period premium," and I had never heard of any law in California requiring payment of meal or rest period premiums for missed breaks. HSBC never talked to me about it. HSBC did tell us in general terms that administrative people should take meal or rest breaks, but quite frankly, no one was there to watch over our administrative staff or enforce this policy.

16. As a matter of policy, we tried to have a conference call with my management counterparts from HSBC around the country generally once a week or once every other week. Predominantly, we discussed production issues – how to build and grow the business, new products, and how to meet the goals set for us nationally. The minimum expectations would trickle down from company-wide goals, to divisional goals, to regional goals, to individual loan officer goals. In my experience at HSBC, the goals were pretty transparent around the country. I do not remember the specifics, but we also had some nationwide sales contests.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

2/6/08
Date


Godwin Tsui